

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN DAVE LEWIS**, on March 31, 2003 at 8:00 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Dave Lewis, Chairman (R)
Rep. Edith Clark, Vice Chairman (R)
Rep. John Brueggeman (R)
Rep. Tim Callahan (D)
Rep. Stanley (Stan) Fisher (R)
Rep. Eve Franklin (D)
Rep. Dick Haines (R)
Rep. Donald L. Hedges (R)
Rep. Joey Jayne (D)
Rep. Carol C. Juneau (D)
Rep. Dave Kasten (R)
Rep. Monica Lindeen (D)
Rep. John Musgrove (D)
Rep. Jeff Pattison (R)
Rep. Rick Ripley (R)
Rep. John Sinrud (R)
Rep. John Witt (R)

Members Excused: Rep. Rosalie (Rosie) Buzzas, Vice Chairman (D)
Rep. Christine Kaufmann (D)

Members Absent: None.

Staff Present: Jon Moe, Legislative Branch
Mary Lou Schmitz, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 86, SB 135, SB 243, 3/25/2003
Executive Action: SB 35, SB 86, SB 135, SB 243, HB
379

HEARING ON SB 86

Sponsor: SENATOR TOM ZOOK, SD 2, Miles City

Opening Statement by Sponsor:

SENATOR ZOOK said the first section of this bill changes the days on agency financial books that have to be recorded and gives the Budget Office a little longer time to do that because some agencies have split payrolls and it is just not possible for them to prepare required reports by August 1. It won't hurt from the Finance Committee's point of view. The second section of the bill deals with some exemptions on the 5% based budget reductions that are required by each agency. The reason for that is some of these agencies are just administratively attached and the agency actually has no control over that, such as Worker's Compensation. Some special revenue accounts fall into the third section.

Proponents' Testimony:

Jane Hamman, Office of Budget and Program Planning, said they appreciate **SENATOR ZOOK** carrying this bill to clean up some appropriation matters. Amendments will also be offered.

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

SENATOR ZOOK closed the hearing on SB 86.

HEARING ON SB 135

Sponsor: SENATOR FRED THOMAS, SD 31, Stevensville

Opening Statement by Sponsor:

SENATOR THOMAS said Section 1 converts the Guarantee Account from a subfund of the General Fund to a State Special Revenue Account. This conversion will avoid the current problem, possibly a double accounting of revenue from the General Fund, and will remove the liability for repaying the loan to the General Fund and place it in a special revenue account.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

SENATOR THOMAS closed the hearing on SB 135.

HEARING ON SB 243

Sponsor: SENATOR MIKE WHEAT, SD 14, Gallatin County

Opening Statement by Sponsor:

SENATOR WHEAT said this bill is brought at the request of the Legislative Fiscal Division and the Department of Commerce. It deals with the Board of Housing. He handed out and read testimony from Exhibit 1.

EXHIBIT (aph68a01)

Proponents' Testimony:

Bruce Brensdal, Executive Director, Montana Board of Housing, said this fund is set up in Montana Code and there are administrative rules that tell them how to administer the loan account.

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REP. FISHER asked Mr. Brensdal what the Board of Housing does. Mr. Brensdal said the Montana Board of Housing is a quasi-judicial board. They are governed by seven members. The mission of the Board of Housing is to help provide decent, safe and sanitary housing that is affordable for the citizens of Montana. What they are best known for is issuing tax-exempt bonds and then providing a secondary market for purchasing mortgages in Montana. They operate a federal program which is basically authorized by the Internal Revenue Service, which is a program to help build multi-family rental housing, also issue bonds and do mortgages

for multi-family rental housing. They have a program that helps senior citizens in Montana called the Reverse Annuity Mortgage Program, which is a program to help elderly citizens remain in their homes.

Closing by Sponsor:

SENATOR WHEAT closed the hearing on SB 243.

EXECUTIVE ACTION ON SB 135

Motion/Vote: REP. PATTISON moved that SB 135 BE CONCURRED IN. Motion carried unanimously 17-0 on a voice vote. REP. LEWIS will carry on the House floor.

EXECUTIVE ACTION ON SB 243

Motion/Vote: REP. HAINES moved that SB 243 BE CONCURRED IN. Motion carried unanimously 17-0 on a voice vote. REP. SINRUD will carry on the House floor.

EXECUTIVE ACTION ON SB 271

Motion: REP. PATTISON moved that SB 271 BE CONCURRED IN.

Discussion:

REPS. SINRUD, LEWIS, FISHER and PATTISON, gave personal opinions on the POINT system problems and the possible disposition of this bill.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 29.7}

Kurt Alme, Director, Department of Revenue, said there is potential concern about this bill. There are legislators who spoke to the need to have SB 271 together on the floor with the bonding bill so the whole issue can be debated. **Mr. Alme** handed out and explained Exhibit 2.

EXHIBIT (aph68a02)

Wendy Keating, Department of Labor, said there is one more cost that is still in HB 2 that is a conversion cost, between \$350,000 and \$395,000, that would be needed for her Department.

Mr. Alme said, "If SB 271 doesn't go through, there are other costs that would impact that project. By pulling the Unemployment Insurance function out of the Department of Revenue, there are currently overhead costs paid for in the Department of Revenue by the U.S. Department of Labor as part of the agreement, by which the Department of Revenue administers the program. That is about \$715,000 over the year which would be pulled out of the Department of Revenue and not be backfilled if SB 271 doesn't pass, unless it is caught up by another mechanism. The other issue is data. In order to transfer unemployment insurance back to the Department of Labor, the unemployment insurance data in POINTS has to be processed as soon as possible prior to that conversion."

REP. HAINES said he would strongly urge **Director Alme** talk to the Department of Justice for suggestions to this problem. There is some talent in other departments that may be very useful to the problem the Department of Revenue is trying to solve.

REP. PATTISON withdrew his motion after the discussion so the bill may be studied further.

EXECUTIVE ACTION ON SB 86

Motion: **REP. BRUEGGEMAN** moved that SB 86 BE CONCURRED IN.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 29.6}

Discussion:

Jane Hamman, Office of Budget and Program Planning, explained the amendments, Exhibit 3.

EXHIBIT (aph68a03)

Jon Moe, Fiscal Analyst, referred to the note at the top of the amendment, "unedited". That means when the editors get done with it there might be some slight tweaks to it.

Motion/Vote: **REP. HAINES** moved that SB 86 BE AMENDED, SB008601.ate, Exhibit 3. Motion carried unanimously 17-0 on a voice vote.

Motion/Vote: **REP. BRUEGGEMAN** moved that SB 86 BE CONCURRED IN AS AMENDED. Motion carried unanimously 17-0 on a voice vote. **REP. KASTEN** will carry on the House floor.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 11.7}

The Committee reconvened at 3:20 p.m.

EXECUTIVE ACTION ON HB 379

Motion: REP. RIPLEY moved that HB 379 DO PASS.

Substitute Motion/Vote: REP. HAINES moved that HB 379 BE TABLED. Motion carried 12-7 with REPS. CLARK, BRUEGGEMAN, HEDGES, KASTEN, MUSGROVE, PATTISON and RIPLEY voting no on a roll call vote.

EXECUTIVE ACTION ON SB 35

Motion: REP. CLARK moved that SB 35 BE CONCURRED IN.

Discussion:

SENATOR GRIMES and Pat Gervais, Legislative Fiscal Division, explained the fiscal note. The ability to commit to the facility under Criminal Statutes is already there. The Developmental Center did have, this past biennium, one criminal commitment. This bill came as a result of that criminal commitment court order and based upon **Greg Petesch's** review, he felt that there were statutory changes needed to clarify the provisions of statute that applied to criminal commitments to the Montana Developmental Center, although the Department has already accepted those under existing statute. **Mr. Petesch** indicated that they need to clarify the statutes with regard to Montana Developmental Center and with regard to the fiscal note. The option for that commitment is already there.

Vote: Motion carried unanimously 17-0 on a voice vote. REP. WITT will carry on the House floor.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 14.1}

ADJOURNMENT

Adjournment: 3:35 P.M.

REP. DAVE LEWIS, Chairman

MARY LOU SCHMITZ, Secretary

DL/MS

EXHIBIT (aph68aad)